

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN

In re:

Master Equity Group, LLC,

Debtor.

Case No. GK 22-00818-jtg
Chapter 11 – Subchapter V
Hon. John T. Gregg

**PETITION TO APPOINT ROBERT BASSEL
AS CO-COUNSEL FOR DEBTOR-IN-POSSESSION**

MASTER EQUITY GROUP, LLC, the above-captioned Chapter 11 Debtor-in-Possession (the “Debtor”) petitionS this Court as follows:

1. This is the Petition for Court approval to appoint Robert Bassel, who, along with Steinberg Shapiro & Clark, will act as co-counsel for the Debtor-in-Possession in the above-captioned proceedings, effective as of the petition date. Concurrent with the filing of the present Pleadings, the Debtor has filed an application to employ Steinberg Shapiro & Clark.

2. Master Equity Group, LLC (“MEG”) operates as a holding and management company for several related-entity businesses operating in the cannabis industry. Under the terms of various leases and subleases, MEG was created to lease or purchase real property to sublease to affiliated businesses which grow or sell cannabis and related products. The formation of MEG was, in part, required by State of Michigan rules and regulations relating to the licensing of cannabis-related

businesses. MEG further provides payroll, accounting and other centralized functions for these related entities. MEG does not grow, handle, own or sell marijuana or any cannabis-related products, but does receive revenue from entities engaged in these businesses.

3. The undersigned is the Chief Executive Officer and sole voting member of the Debtor-in-Possession. The Debtor seeks entry of an order of the Court authorizing the employment of Robert Bassel as co-counsel for the Debtor-in-Possession in this case.

4. It is necessary for the Debtor-in-Possession in this case to employ Mr. Bassel to represent it in all matters relating to the Chapter 11 proceedings, and Applicant is informed and believes that Mr. Bassel has the appropriate legal skills necessary to perform legal services required in this case.

5. Debtor paid Steinberg Shapiro & Clark a retainer of \$25,000 on April 19, 2022 for representation in these Chapter 11 proceedings. The source of the funds was a loan from one of the Debtor's creditors, also a landlord of the Debtor. The sum of \$10,568 of this retainer was applied to services performed prior to the filing of the case, including the drafting of emergency filing documents and the filing fee for the Chapter 11 case. Following the application of this sum, there were either no prepetition fees owed, or anything which was outstanding was waived. The

remaining retainer of \$14,342 is intended to be applied toward services rendered in connection with this Chapter 11 Case. The law firm has held and will continue to hold the retainer in its Client Trust Account, where the funds will remain until the allowance and payment of such fees to the law firm is authorized by this Court.

6. The hourly fees charged by Mr. Bassel will be **\$350.00** per hour. Other than his hourly rate, Mr. Bassel is not expected to receive any other compensation from the Debtor. Steinberg Shapiro & Clark will also be filing an application for employment in connection with this case. Mr. Bassel was previously of counsel to Steinberg Shapiro & Clark, but no longer maintains that position with the firm. Mr. Bassel does regularly work as co-counsel with Steinberg Shapiro & Clark on Chapter 11 cases. Mr. Bassel is expected to assist Steinberg Shapiro & Clark in, inter alia, matters relating to research, drafting of pleadings, including the plan eventually filed in the case, and confirmation proceedings. Additionally, it is anticipated that Mr. Bassel will be assisting Steinberg Shapiro & Clark with any overflow matters or issues that require his expertise, and all efforts will be made to avoid any duplication of time between Mr. Bassel and Steinberg Shapiro & Clark, as with the attorneys at Steinberg Shapiro & Clark. Wherever possible, a paralegal or law clerk may be used, at a lower hourly rate. Hourly rates are subject to change upon advance notice to the Office of the U.S. Trustee. Mr.

Bassel has agreed to make application to this Court for approval of his fees and expenses if payment is to be made from the assets of this Estate, and it is anticipated that Mr. Bassel's time entries and fees will be incorporated into the fee application filed by Steinberg Shapiro & Clark, so that only one fee application of counsel for Debtor-in-Possession will be filed in the case, thereby reducing the administrative expenses of preparing and filing separate applications. Furthermore, and because Mr. Bassel does not maintain any staff or an office, and because consequently, all postage, service of pleadings, copying, proofreading, billing, preparation and filing of fee applications and other overhead costs, are being borne by Steinberg Shapiro & Clark, Mr. Bassel and the firm have agreed to an arrangement whereby Steinberg Shapiro & Clark retains 20% of any gross allowed fees awarded and paid to Mr. Bassel as compensation for these overhead expenses.

7. Mr. Bassel states that he is a disinterested person within the meaning of 11 U.S.C. §101(14) and Bankruptcy Rule 2014. Attached is a Declaration of Robert Bassel supporting his statement that he is disinterested within the meaning of 11 U.S.C. §101(14), meets the requirements of Bankruptcy Rule 2014, and holds no interest adverse to the Estate, except as addressed in the accompanying Declaration.

MASTER EQUITY GROUP, LLC

/s/ Adam Tucker

STEINBERG SHAPIRO & CLARK

/s/ Mark H. Shapiro (P43134)
25925 Telegraph Road, Suite 203
Southfield, MI 48033
248-352-4700
shapiro@steinbergshapiro.com

Date: April 25, 2022

MASTER EQUITY GROUP, LLC



Adam Tucker

STEINBERG SHAPIRO & CLARK

/s/ Mark H. Shapiro (P43134)

25925 Telegraph Road, Suite 203

Southfield, MI 48033

248-352-4700

shapiro@steinbergshapiro.com

Date: 4/25/2022, 2022

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_____ /

DECLARATION OF ROBERT BASSEL

Robert Bassel declares as follows:

1. I have the experience and ability to represent the above-captioned Debtor for the purposes described in the accompanying Petition to Appoint me as co-counsel, along with Steinberg Shapiro & Clark, as Attorneys for the Debtor-in-Possession, and I am willing to accept employment on the basis set forth herein.

2. The rate I will charge for my services in this matter is **\$350** per hour. Hourly rates are subject to change upon advance notice to the Office of the U.S. Trustee.

3. I do not hold any interest adverse to the estate, and I am disinterested persons, as defined in 11 U.S.C. § 101(14).¹

¹ “Disinterested person” means person that ----
(A) is not a creditor, an equity security holder, or an insider;
(B) is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor or of an investment banker specified in subparagraph (B) or (C) of this paragraph; and
(E) does not have an interest materially adverse to the interest of the estate or of a class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;

4. As indicated in the Application, Steinberg Shapiro & Clark will also be filing an application for employment in connection with this case. I was previously of counsel to Steinberg Shapiro & Clark, but no longer maintain that position with the firm. I regularly work as co-counsel with Steinberg Shapiro & Clark on Chapter 11 cases. Furthermore, and because I do not maintain any staff or an office, and because consequently, all postage, service of pleadings, copying, proofreading, billing, preparation and filing of fee applications and other overhead costs, are being borne by Steinberg Shapiro & Clark, I have agreed to an arrangement whereby Steinberg Shapiro & Clark retains 20% of the any gross allowed fees awarded and paid to myself as compensation for these overhead expenses.

5. I do not hold any interest adverse to the estate, and am a disinterested person, as defined in 11 U.S.C. § 101(14)². As of the date of filing of these proceedings, there were either no prepetition fees owed to myself, or anything which was outstanding was waived.

² “Disinterested person” means person that ----

(A) is not a creditor, an equity security holder, or an insider;

(B) is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor or of an investment banker specified in subparagraph (B) or (C) of this paragraph; and

(E) does not have an interest materially adverse to the interest of the estate or of a class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;

6. I understand that all compensation is subject to Court review and approval, and that no fees may be paid without an Order of the Court.

/s/ Robert Bassel (P48420)

P O Box T

Clinton, MI 49236-0018

248-677-1234

bbassel@gmail.com

Date: April 25, 2022

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**ORDER APPROVING EMPLOYMENT OF
CO-COUNSEL AND FOR OTHER RELIEF**

Upon the application of the Debtor-in-Possession, **Master Equity Group, LLC**, in this Chapter 11 proceeding, and upon approval of the United States Trustee,

IT IS HEREBY ORDERED that the employment of Robert Bassel, as co-counsel, along with Steinberg Shapiro & Clark, by the Debtor-in-Possession as counsel is **APPROVED** as of the petition date.

IT IS FURTHER ORDERED that payment of any and all fees in connection with these Chapter 11 proceedings are subject to filing of fee applications and court approval of the same, and all funds received from the Debtor's estate will remain in the Firm's client trust account until fees and expenses are approved by the Court.